

At present the construction of two ships is being proceeded with in St. John for the Imperial Munitions Board; I think each vessel is 2,500 tons, the same tonnage as that of the ships here contracted for by the minister.

Mr. REID: Captain Norcross, the head of the Canada West Coast Navigation Company, told me that there were some little extras that would probably have to be added to the amount of that contract. He told me also that the vessels could not be built as quickly for the price in eastern Canada; that is why the contract went to British Columbia.

Mr. PUGSLEY: I would assume that the contract of the Canada West Coast Navigation Company was at a somewhat lower rate. These specifications say that some additions are made in the schedule; I assume that they would be included in the \$230,000.

Mr. REID: There were some others in addition to that.

Mr. PUGSLEY: The Minister of Customs says that he advised the Minister of Railways to undertake this work. But the Minister of Customs himself, not the Minister of Railways, signed this contract. The signatures are as follows:

Wallace Shipyards, Limited,
(Signed) A. Wallace, Managing Director.
(Signed) J. D. Reid, Acting Minister of Railways and Canals.

Mr. REID: The Minister of Railways knew all about it; if I remember rightly, he signed the Order in Council. He happened to be away at the time, but it was all submitted to and confirmed by him.

Mr. PUGSLEY: The reason why the Intercolonial railway is charged with the burden of these two ships is that the Minister of Customs was at Vancouver about a year ago. He got in touch with the enterprising gentlemen of Vancouver, and he promised this steamboat connection between the Atlantic and the Pacific. He had to carry out his promise when he came back, and that is why this burden is laid upon the Department of Railways rather than upon the Trade and Commerce Department, where the burden would be chargeable to the general revenue of Canada. I protest against this additional burden being laid upon the Intercolonial railway, with which this steamship line will not be in any way connected.

Of course I can understand why the Minister of Customs should take hold of it in

[Mr. Pugsley.]

the Railway Department, because he knew perfectly well if he left it to the Department of Trade and Commerce he would never get it. My hon. friend heard the Minister of Trade and Commerce reproached for not doing anything for the encouragement of shipbuilding in Canada, and saw that the minister simply told us in that dreamy style of his of the great ideas he had for the development of shipbuilding after the war. The Minister of Customs could not wait so long, because he had promised the people of Vancouver to deal with the matter more quickly. The Minister of Trade and Commerce spoke this afternoon with reference to the charge that the Government had done nothing for the encouragement of shipbuilding. He admitted it, but he showed the difficulties in the way and said "You cannot get steel plates to-day." Well, if that is the case to-day it has not been the case during the three years since the war began, when if proper encouragement had been given the building of ships could have been undertaken most successfully in Canada. I want to read a newspaper extract showing what the United States Government is doing in the way of shipbuilding, and I would ask the committee and the people of this country to contrast it with the do-nothing policy of this Government during the last three years:

A Washington despatch says that contracts for the construction of three immense government-owned shipyards for building fabricated steel merchant vessels have been awarded to the Submarine Boat Corporation at Newark, N.J., the American International Corporation at Hog Island, Pa., and the Merchants Shipbuilding Company at Chester, Pa. Each yard will cost \$35,000,000 and contracts have been let for 200 ships to be built in each.

Within comparatively few weeks of the United States becoming engaged in the war, they have provided for the creation of three great shipyards, and let contracts for the building of 600 steel ships. Such an example of the vigorous way in which the United States is engaged in shipbuilding ought to put this Government to shame.

Mr. CURRIE: How many ships have they built?

Mr. PUGSLEY: The contract is for 600.

Mr. CURRIE: They have not built one ship. It is only a week since they gave the contracts.

Mr. PUGSLEY: They have only been in the war a few weeks. Although they have only been engaged in the war a short time, they have already made arrangements for these three shipbuilding plants,